



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE

Marc Elrich
County Executive

Tiffany Ward
Director

MEMORANDUM

March 16, 2022

- To: Jennifer Bryant, Director
Office of Management and Budget
- cc: Gabe Albornoz, President
County Council
- From: Tiffany Ward, Director
Office of Racial Equity and Social Justice
- Re: Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #22-85 Maryland Department of Housing and Community Development Grant: Emergency Rental Assistance Program and (SA) #22-86 Additional MD Emergency Rental Assistance Program 1
- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriations #22-85 and #22-86 (Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #22-85 Maryland Department of Housing and Community Development Grant: Emergency Rental Assistance Program and #SA 22-86 Additional MD Emergency Rental Assistance Program 1) are likely to advance racial equity and social justice in Montgomery County as they utilize targeting criteria to provide rental assistance to low-income communities and communities of color. This targeting helps to address the pandemic's disproportionate health and economic impacts on communities of color and low-income communities in the County.
- II. **BACKGROUND:** The Emergency Rental Assistance Program in Montgomery County. These supplemental appropriations continue efforts begun under Supplemental Appropriation #21-527 and expanded under Supplemental Appropriation #22-34. As with previous iterations of state and federal assistance, allocations under Supplemental Appropriations #22-85 and #22-86 will be used to support residents facing hardships resulting from the COVID-19 crisis. Rental and utility assistance, under both supplemental appropriations, are targeted to low-income county residents with a priority

given to households with income below 50% Area Median Income (AMI) and unemployed for more than 90 days.

On November 15, 2021, ORESJ transmitted a REIA for Supplemental Appropriation #22-34, and in June 2021 transmitted a REIA for Supplemental Appropriation #21-527. There are no significant differences in the targeting, approaches, or goals of these supplemental appropriations—ORESJ’s findings statement, background, and data analysis remains largely¹ unchanged. ORESJ, therefore, recommends that those considering Supplemental Appropriations #22-85 and 86 do so by reviewing the REIA that ORESJ submitted on November 15, 2021.

- Racial Equity Impact Assessment of Supplemental Appropriation #22-34
<https://www.montgomerycountymd.gov/ore/Resources/Files/22-34.pdf>
- Racial Equity Impact Assessment of Supplemental Appropriation #21-527
<https://www.montgomerycountymd.gov/ore/Resources/Files/21-527.pdf>

In addition, ORESJ offers the following observations from available data and recent research to draw attention to current and future outcomes of Covid-19 rental assistance. While research about the pandemic recovery is ongoing, there is early evidence about the Return on Investment (ROI) of emergency rental assistance to tenants, landlords, and government. One estimate suggests that “paying people’s rent is almost always cheaper than the combined debts and outlays that might occur if the government does not foot the bill”². Going forward, combining this insight with the slow economic recovery for low-wage workers³, suggests investments in homeless prevention and housing security investments are smart and necessary choices.

Based on the Montgomery County Department of Health and Human Services (DHHS) Pulse Report on Covid-19 Impact and Recovery from May 4, 2022⁴, the County’s Emergency Rental Assistance has approved \$77.5m in payments to 10,455 households. Most assistance recipients were Black or Hispanic; 52% were Black and 32% were

¹ Since REIA 21-527 and 22-34, ORESJ examined Covid-19 Pulse Data, which confirms the effectiveness of resource targeting in this assistance program. As of the week ending May 1, 2022, 84% of recipients of rental relief were Black or Latino. Black and Latino residents face a number of barriers to housing security in the County; this data shows that resources have been (to date) equitably distributed.

² Sam Gilman. “The Return on Investment of Pandemic Rental Assistance: Modeling a Rare Win-Win-Win”. Indiana Health Law Review. Vol 18:293. May 27, 2021. Available at <https://mckinneylaw.iu.edu/ihr/pdf/vol18p293.pdf>.

³ Nicole Bateman and Martha Ross. Brookings. “The Pandemic Hurt low-wage workers the most—and so far, the recovery has helped them the least”. July 28, 2021. Available at: <https://www.brookings.edu/research/the-pandemic-hurt-low-wage-workers-the-most-and-so-far-the-recovery-has-helped-them-the-least/>

⁴ Montgomery County, Maryland Department of Health and Human Services. DHHS Pulse Report. Covid-19 Impact and Recovery. May 4, 2022. <https://www.montgomerycountymd.gov/covid19/Resources/Files/DHHS-Pulse-220504.pdf>

Hispanic. This distribution of assistance makes sense based on the disproportionate economic and health impacts of the pandemic on communities of color as well as structural inequities predating the pandemic that compromised the economic security of many low-income people and communities of color. What is less clear from available data is the extent to which rental assistance prevented eviction or homelessness or arrears for recipients and more generally whether there were any unintended benefits or consequences (mental, physical, economic) of the rental assistance program.

cc: Raymond Crowel, Director, Department of Health and Human Services
Ken Hartman, Director, Office of Strategic Partnerships, Office of the County Executive